What is claimed is:

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1. A method of processing a semiconductor wafer having a plurality of epitaxial layers, including a P-side cladding layer adjacent to a waveguide layer, so as to create a distributed Bragg reflecting (DBR) grating in a defined window area without creating a distributed feedback (DFB) grating over the remainder of the wafer, comprising the steps of:

depositing a protective layer over said wafer;

removing said protective layer over a portion of said cladding layer to define a window in an area of said wafer having negligible optical gain;

applying a photoresist over said wafer including said window area;

exposing said entire photoresist to interfering laser beams to create a grating pattern in said photoresist;

transferring said grating pattern into said cladding layer at said window area; and

removing the remainder of said protective coating prior to depositing additional layers of said wafer

- 2. The method of claim 1 wherein said protective layer is selected from the group consisting of SiO2, Si₃N₄ and a metal.
 - 3. The method of claim 1 wherein said photoresist is removed prior to transferring said grating pattern into said cladding layer.
- 25 4. The method of claim 3 wherein a photoresist is exposed to said interfering laser holography beams provided from an argon laser.
 - 5. The method of claim 4 wherein argon laser is operated at a wavelength of 458 nm.

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- 6. The method of claim 5 wherein after said photoresist is removed using an etchant selected from the group consisting of SF₆, CCl₂F₂, CClF₃ and CF₄.
- 7. The method of claim 6 wherein after said photoresist is removed, a wet etchant selected from the group consisting of SiCl₄ or BCl₃ is used to transfer said pattern into said cladding layer.
- 8. The method of claim 1 wherein said protective layer has a refractive index different than the refractive index of said photoresist to cancel said interfering laser beams over said protective layer.

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- 9. The method of claim 1 wherein said additional layers include gain layers beyond said window area.
- 15 10. The method of claim 1 wherein said additional layers include non-gain layers over said window area.